

RETIREMENT BOARD MEETING

December 21, 2016

The Retirement Board Meeting of December 21, 2016 was held in the Lower Level Conference Room.

MEMBERS PRESENT:

Alfred Marciano

Scott Small

Jeanne Muto-Kyle

Jean Bouchard

Timothy Kelly

Brian Dunkley

William DePasquale

Scott Lajoie

Ernest Zmyslinski

MEMBERS NOT PRESENT:

Camille Vella-Wilkinson

Donald Cimini

ALSO IN ATTENDANCE:

Diana Pearson, Esq.

Anthony Tranghese

Joseph Newton

1. **Meeting was called to order at 3:35 p.m.**

2. **Minutes of Previous Meeting**

Minutes of the Retirement Board Meeting of September 21, 2016 were brought before the Board for their review and approval.

MOTION: Brian Dunkley

To approve the Retirement Board Minutes of September 21, 2016 as presented.

Seconded by Jean Bouchard and approved unanimously by the Board members present.

3. **Quarterly Performance Report**

Tony Tranghese, from Fiduciary Investment Advisors distributed materials and presented the quarterly performance report for the Third Quarter of 2016 along with the monthly performance update up to November 30, 2016.

The Municipal Plan had a value of \$116,109,986 as of September 30, 2016.

So far this quarter our two international equity managers are in the negative, index is down 3.7% this quarter, year to date is modestly positive compared to what the U.S. has done. Relative to historic levels international, non U.S. equities, developed and emerging look attractive and US equities are fully priced. Our current allocation in the portfolio is heavy toward U.S. equities relative to non U.S. equities. Tony indicated that he may suggest expanding allocation to non U.S. equities. He will discuss reevaluating the portfolio at the next meeting.

Tony also distributed the City of Warwick Municipal Employee's Pension Fund Investment Policy Statement Draft (a guiding document for oversight of the portfolio) to the Board Members present.

MOTION: Jeanne Muto-Kyle

To accept the Municipal Employees' Pension Fund Investment Policy as presented.

Seconded by Scott Small and approved unanimously by the Board members present.

4. **Subcommittee Report on Insurance Investment Options**

No report at this time. The subcommittee (William DePasquale, Scott Lajoie, Brian Dunkley and Scott Small) will meet in 2017.

5. **Portfolio Monitoring**

Alfred Marciano advised the Board that he was contacted by a group of attorneys that represent the board for portfolio monitoring. They asked for permission to do some research regarding a class action suit against Tesla. Mr. Marciano signed a form granting them permission to research if the City of Warwick Retirement Board was

going to be the lead plaintiff in the suit. The recommendation was to remain part of the class action suit but not as the lead plaintiff.

MOTION: William DePasquale

To accept the recommendation of the portfolio monitoring counsel to the City of Warwick's Retirement System to remain part to the class action suit against Tesla but not as the lead plaintiff.

Seconded by Jeanne Muto-Kyle and approved unanimously by the Board Members present.

6. Presentation by Joseph Newton of GRS-Changes to Assumptions

Joseph Newton distributed Economic Assumptions for the Municipal Employees Retirement Plan for the City of Warwick. Gabriel Roeder Smith and Company recommends decreasing the inflation assumption from 3.25% to 2.25% and decreasing the investment return assumption from 7.5% to 7%.

After some discussion, the following motion was made.

MOTION: William DePasquale

To amend the actuarial investment return assumption to 6.9% and to accept the recommendation of 2.25% inflation assumption.

Seconded by Brian Dunkley and approved unanimously by the Board Members present.

MOTION: Alfred Marciano

That the Retirement Board Meeting of December 16, 2015 go into closed session pursuant to the exception provision R.I.G.L. 42-46-5-(a)(1) of the Open Meetings Law regarding the discussion of a retirement application for a medical disability pension.

Roll Call: Brian Dunckley-yes, William Depasquale-yes, Ernest Zmyslinski-yes, Jeanne Muto-Kyle-yes, Scott Lajoie-yes, Jean Bouchard-yes, Scott Small-yes, Timothy Kelly-yes, Alfred Marciano-yes.

REFER TO CLOSED SESSION MINUTES

MOTION: Alfred Marciano

That the Retirement Board go back into open session pursuant to 42-46-5-(a)(1).

Roll Call: Brian Dunckley-yes, William Depasquale-yes, Ernest Zmyslinski-yes, Jeanne Muto-Kyle-yes, Scott Lajoie-yes, Jean Bouchard-yes, Scott Small-yes, Timothy Kelly-yes, Alfred Marciano-yes.

MOTION: Alfred Marciano

That the minutes of the executive session minutes of the December 21, 2016 Retirement Board Meeting will remain sealed pursuant to R.I.G.L. 42-46-5-(a)(1) of the Open Meetings Law.

Seconded by Scott Lajoie - Roll Call: Brian Dunckley-yes, William Depasquale-yes, Ernest Zmyslinski-yes, Jeanne Muto-Kyle-yes, Scott Lajoie-yes, Jean Bouchard-yes, Scott Small-yes, Timothy Kelly-yes, Alfred Marciano-yes.

MOTION: Scott Small

To accept the Kenneth Rolston's disability pension as presented to the Board.

Seconded by William DePasquale and approved unanimously by the Board Members present.

7. Retirement Applications

DATE OF RETIREMENT	RETIREE	YEARS OF SERVICE	TYPE OF PENSION	AMOUNT OF PENSION
11/1/2016	Michael Rooney	23 Years & 7 Months	Optional 100%	\$3,662.21/\$3,662.21
11/1/2016	Michael DelGiudice	12 Years & 11 Months	Optional 100%	\$650.64/\$650.64
1/1/2017	Toyomi Kosaka	28 Years	Normal	\$3,297.00
1/1/2017	Stuart Roberts	12 Years & 9 Months	Early/Normal	\$740.42

MOTION: Jeanne-Muto Kyle

To approve the Retirement Applications as submitted.

Seconded by Scott Lajoie and approved unanimously by the Board members present.

8. Death Benefits

There were two Death Benefits @ \$8,000 each for a total of \$16,000 since the last Retirement Board of September 21, 2016.

MOTION: Ernest Zmyslinski

To accept of the payments as submitted.

Seconded by Jean Muto-Kyle and approved unanimously by the Board members present.

The following Fiduciary Investment Advisors were presented to the Board members to accept the invoices as paid.

9. **Fiduciary Investment Advisors**

PAID INVOICES:				
Retirement Board Meeting - 12/21/2016				
Fiduciary Investment Advisors				
<u>Date</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>	
9/30/2016	961603	Quarterly Consulting Fee	\$7,890.09	

MOTION: Scott Lajoie

To accept payment of the invoice as submitted.

Seconded by Brian Dunkley and approved unanimously by the Board members present.

MOTION: Scott Small

10. **To adjourn the Retirement Board Meeting of December 21, 2016**

Seconded by William DePasquale and approved unanimously by the Board Members present.

Respectfully submitted,

Jean Bouchard, Secretary